



# CSR INITIATIVE BY TATA MOTORS LIMITED IN INDIA: A CASE STUDY ON VIDYADHANAM (EDUCATION)

Dr. K. C. Mandlekar

Associate Professor, Department of Economics, Jawaharlal Nehru Arts, Commerce and Science College, Wadi, Nagpur, India.

## ABSTRACT

This case study is related to the CSR initiative taken by the TATA MOTORS LIMITED (TML), in India, specifically focusing on the Vidyadhanam (Education) one of the four important pillars of TML's CSR program. In India education sector particularly primary and higher secondary facing lots of problem due to improper policy of Government and its administrative and implementation issues. Further education in rural and remote area are not easily accessible to the students residing in these area, if it is accessible, there is very little skilled development among them. In this regards many Companies from Corporate India have already been entered voluntarily into the social development activities like Healthcare, livelihood, Education etc showing their responsibility towards society. In order to recognize the role of Corporate India in the social development the Government has came up with the various Policy framework for Responsible Business, ESG and CSR. The Guidelines related to Corporate Social Responsibility (CSR) has been provided in the New Companies Act 2013 under Section 135, Schedule VII and CSR Rules 2014. The present case deals with the CSR initiative taken by the TML after enactment of the Companies Act 2013. Education is one of the important CSR programs of TML and present case focusing mainly on the Education initiative, its various program, its impact and benefits.

**KEYWORDS:** CSR, TML, CSR Program, Education Sector, Vidyadhanam.

## INTRODUCTION: ABOUT THE COMPANY:

Tata Motors Limited (TML) incorporated in India in the Year 1945. TML is a part of TATA Group founded by Jamsetji Tata. TML is the India's largest automobile company and leading in global manufacturer of cars, utility vehicles, buses, trucks and defence vehicles. TML is a \$45 Billion (FY 2018-19) organization as a part of over \$100 Billion TATA Group and recognized for its world-class quality, originality, engineering and design excellence. It has presence all over the world in the name of TATA Motors Group having a network of 76 subsidiaries in India and internationally, providing a host of engineering and automotive solutions. The most iconic brand includes Jaguar Land Rover in the UK and Tata Daewoo in South Korea.

## OBJECTIVE OF THE STUDY:

- To study the Concept of CSR
- To study the motivation behind engaging in CSR
- To study the Impact of CSR-Vidyadhanam (Education)
- To study the Benefits of CSR-Vidyadhanam (Education)

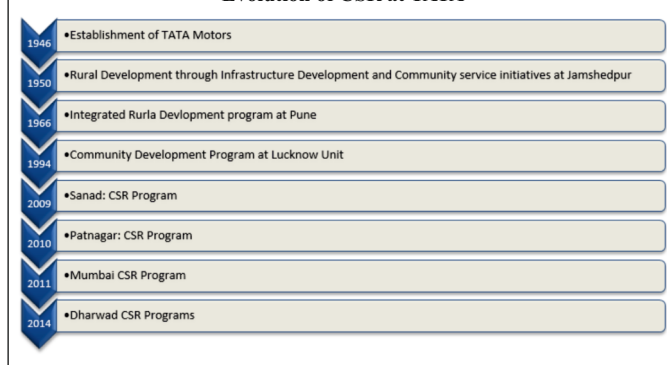
## RESEARCH METHODOLOGY:

The study is based on the Secondary data in the Form of Research studies and Annual report of the TML which contains the information regarding TML. The annual report, after fully implementation of CSR, for the Year 2016-17, 2017-18 and for 2018-19 have been referred for the present study.

## CSR at TML:

Corporate Social Responsibility is a multidisciplinary subject and definitions vary with regard to the perceived scope of the corporation's responsibility. India has a long rich history of close business involvement in social cause for national development. In India, CSR is known from ancient times as social duty or charity, which through different ages is changing its nature in broader aspect, now generally known as CSR. From the origin of businesses which leads towards excess wealth, social and environmental issue have deep root in the history of business. CSR is the means of integrating social, environmental and economic concerns into the philosophy, decision making, strategy and operations of business entity in a transparent and accountable manner and thereby establish better practices within the business entity, thus creating wealth and improve society at large.

## Evolution of CSR at TATA



Pre 2014 CSR Nature was Philanthropic, business agnostic and geographically scattered

Post 2014 Harmonization of CSR due to Enactment of Companies Act 2013

There is complete shift of Scattered CSR Program into harmonized CSR of Tata Motor Group in India due to mandatory provision of Companies Act 2013. Accordingly their approach towards activity has also been changed. In post 2014 they started focusing on urban poverty issues, Multi stakeholder partnerships, business connect for win-win and long term sustainability, Introducing life cycle approach in CSR programmes and Consolidation of the existing programmes under the umbrella of Ankur and 4 thematic areas such as Health (Aarogya), Education (Vidyadhanam), Employability (Kaushalya) and Environment (Vasundhara).

Guiding Philosophy: Sustainability and the spirit of 'giving back to society' and good corporate citizenship.

**Belief:** Actively assisting in the improvement of the quality of life of the people in the communities, giving preference to local areas around our business operations

**CSR Philosophy:** More from less for more, implies striving to achieve scale by judicious utilization of resources, to achieve greater impact. It is realized by forging partnerships and leveraging technology.

**Approach:** Tata Motors adopts human lifecycle approach by offering age continuum CSR programmes which are horizontally linked to each other

**Engagement of Tata Motors Ecosystem:** Engaging business partners in the entire value chain.

**Measuring Impact:** Adoption of socially appropriate impact measures like

**Business Connect:** Employability programmes have business connect.

**Outline of CSR Policy:** As an integral part of the Company's commitment to good corporate citizenship, the Company believe in actively assisting in improvement of the quality of life of people in communities, giving preference to local areas around the Company's business operations. Towards achieving long-term stake holder value creation, the Company shall always continue to respect the interests of and be responsive towards its key stakeholders - the communities, especially those from socially and economically backward groups, the under-privileged and marginalized; focused on inter alia the Scheduled Castes and Scheduled Tribes, and the society at large. In order to leverage the demographic dividend of its country, Company's CSR efforts shall focus on Health, Education, Environment and Employability interventions for relevant target groups, ensuring diversity and giving preference to needy and deserving communities inhabiting urban India. CSR at the Company shall be underpinned by 'More from Less for More People' philosophy, which implies striving to achieve greater impacts, outcomes and outputs of its CSR projects and programmes by judicious investment and utilization of financial and human resources, engaging in like-minded stakeholder partnerships for higher outreach benefitting more lives.

**CSR Spend (in Cr.)**

Year	Total Spend	Spend on Education
2016-17	25.94	12.93
2017-18	21.43	10.43
2018-19	22.4	8.67

The table shows the CSR spend in total and particularly for education sector by the TML for the last three year. The total spend on CSR though declining but it is dependent upon the profit earned by the company during the immediately preceding three financial year and according the CSR outlay has to be made of 2%.



The picture shows the TMLs CSR Area or Four important pillars of CSR Program. It includes Health, Education, Employability and Environment. The present case study is based on the Education sector which is a part of TMLs CSR.

**VIDHYADHANAM (EDUCATION):** Knowledge is Wealth, this is an important CSR initiative by the TML specially for the rural and remote area students. The purpose behind undertaking education sector for CSR is to improve the accessibility and quality of secondary school education, to provide financial assistance and scholarships to deserving students and providing special coaching classes to help students excel in competitive examinations. The following picture shows the initiatives under Vidyadhanam.



#### **TML's Reason for Selecting CSR in Education**

1. Neglect of Secondary & Senior Secondary Education
2. acute shortage of institutional support and resources at secondary level
3. Increasing number of Student dropout to lack of finance and guidance at standard 10
4. Enrolment at Senior Secondary Level has been decreasing
5. Problems of reading English and poor performances in simple calculations

#### **Strategy**

1. Strategic CSR Investment
2. Efficient deployment of financial and human resources
3. The customized programs
4. Entire life-cycle approach
5. Affirmative Action programme

In order to implement these strategy the TML has intervene in Education sector in following manner:

- Financial assistance to socially and economically vulnerable students
- Support classes in Mathematics, English and Sciences
- Developing school infrastructure to foster better learning environment

#### **IMPACT of CSR –Vidhyadhanam (Education) For the Year 2016-17**

Sr. No.	Initiatives	Nos. benefited
1	Co-Curricular Activities	30411
2	School infrastructure and Village education Development	15843
3	Special coaching	37937
4	Scholarships and grants	2731
No. of Students benefited		86922

#### **Outcome:**

Improving pass percentage of Mumbai Municipal School students who appeared in Class X board exams from 71% to 79% in two years

For the Year 2017-18

Sr. No.	Initiatives	Nos. benefited
1	Co-Curricular Activities	48847
2	School infrastructure and Village education Development	14585
3	*Special coaching	28078
4	Scholarships and grants	9910
No. of Students benefited		101420

**Outcomes:**

- Increase in average pass % in government schools from FY 2015 (55%) to FY 2018 (80%)
- 5% Improvement in average scores in math, science and English
- 44% Of class X students secured first class marks in their exams
- 70% of the students supported by TML make it to the prestigious institute (as against a national average of less than 1%)

**Interventions in Holistic Education Development:**

The TML has intervened in the Holistic education development for the Tribal students of Jharkhand District through their program by instituting need based scholarship specially for girls, introduction of support classes and improvement in the school infrastructure, which resulted to an complete stoppage of school dropouts, improvement in passing percentage of students, increases the number of enrollment in higher studies, 100% Rate of enrollment in primary section and anganwadis etc.

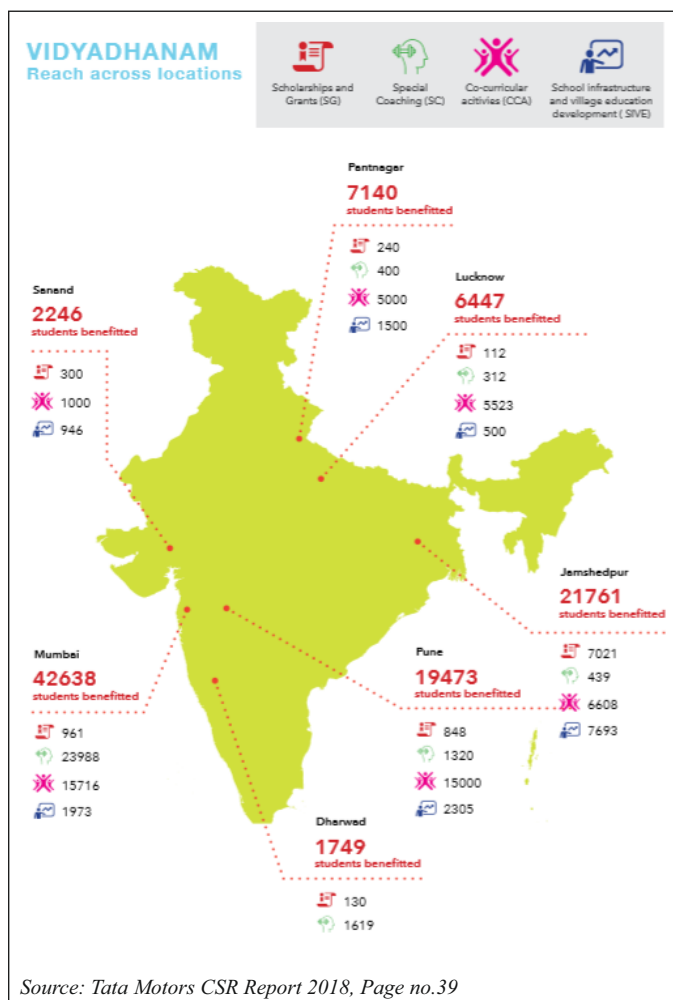
**TATA Samarth Scholarship:**

Further the TML has also introduced the TATA SAMARTH SCHOLARSHIP, is a mentorship based rolling scholarship programme jointly instituted by Tata Motors, Tata Communications and Tata Henderickson. The main purpose behind introducing scholarship is to support bright young budding engineers from economically weak and socially disadvantaged sections of the society.

initiative of TML not only assured to improve the accessibility of school, secondary, higher education to the students of remote area and rural area but also provided financial assistance and scholarships to deserving students who having no financial background but can excel. In every year the number of beneficiaries has been increasing with development of innovative CSR program. It is also concluded that, through such CSR the TMLs trying to achieve long-term stakeholder value creation while respecting the interests of and be responsive towards its key stakeholders - the communities, especially those from socially and economically backward groups, the underprivileged and marginalized; focused on inter alia the Scheduled Castes and Scheduled Tribes, and the society at large. In order to leverage the demographic dividend of its country, Company's CSR efforts shall focus on interventions for relevant target groups, ensuring diversity and giving preference to needy and deserving communities inhabiting urban India.

**REFERENCES:**

- Annual Report (72nd) of TML for the Year 2016-17
- TML Sustainability Report 2016-17
- TML CSR Report 2018
- TML CSR Report 2019

**CONCLUSION:**

The study concludes that Vidhyadhanam which is one of the four pillars of CSR